GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1710
ANSWERED ON:12.12.2003
VRS FOR THE EMPLOYEES OF GIC
MANIKRAO HODLYA GAVIT

Will the Minister of FINANCE be pleased to state:

(a) whether the Voluntary Retirement Scheme (VRS) is being reintroduced recently forthe employees of the General insurance Companies;

(b) if so. the details thereof: and

(c) the additional financial burden likely to be borne by these companies due to implementation of this scheme?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

(a) to (c) The scheme is being introduced for the first time for officers/ employees (other than Development Officers) of the non-life public sector insurance companies. Development Officers are excluded because they already had such a scheme in January 2003. An employee seeking Special Voluntary Retirement (SVR) under this scheme will be entitled to ex-gratia amount of either 60 days salary for each completed years of service or salary for the number of remaining months of service which ever is lower. It is expected that 10% of the employees may opt for voluntary retirement under the scheme. The total additional outgo on account of ex-gratia payment has been projected at Rs. 502 crores approximately.